

## 2022/2023 Working Group Climate Transition Finance

### Terms of Reference

#### Overall Objective of the Climate Transition Finance Working Group:

The main objective of the CTF Working Group is to promote climate transition as a theme under the Principles as opposed to developing dedicated Transition Bond Principles, at this time. It will continue to provide market participants with information and education around recommended disclosures to foster credibility of an issuer's climate change-related commitments and practices in order to raise finance. To that end the working group will continue to develop guidance (The Handbook) and tools (Registry) to assist issuers from GHG emissions intensive industries access sustainable capital markets.

#### Objectives and deliverables for 2022/2023:

Following a survey among Working Group members, the working group will focus on the following four objectives:

- i) Making updates to the Climate Transition Finance Handbook and Q&A**
  - Additional guidance as to when the CTFH should be applied
  - Additional guidance on how the CTFH interfaces with The Principles
  - Additional guidance on Element 3: Climate transition strategy to be science-based including targets and pathways
  - Add references to other initiatives (e.g. GFANZ, PCAF, UK TPT)
  - Add references to the methodologies registry
  - Seek to include relevant case studies
- ii) Proposing formal updates to the GBP & SLBP to enhance the interlinkages and guidance to the Climate Transition Finance Handbook**
  - Provide guidance on when the CTFH should be applied
  - Differentiate key recommendations vs requirements, vs "Best Practice"
  - Add a reference to the CTFH in the GBP, SBP and SLBP
  - Clarify the use of the CTFH for themed bonds (e.g. blue bonds)
- iii) Coordination with other relevant transition initiatives like GFANZ, PCAF, UK TPT etc.**
  - Integrate with other disclosure frameworks related to sustainable finance
  - Ensure that all related guidance, resources and tools work together to avoid market confusion related to 'Transition' and these initiatives can be found in the same place
  - Work with SB, Impact and SLB Working groups to conduct a survey of existing direct and tangential references to just transition in current ICMA documents
  - Coordinate broad WG discussion on what the nature of ICMA guidance on the topic of just transition should be in the current landscape of many initiatives on transition finance.
  - Make clarifications to the CTFH if needed

**iv) Elaborate further on the theme of “just transition” as part of the Climate Transition Finance Handbook**

- Provide additional guidance on “just transition” and how it can be considered in the context of the CTFH and within the broader Principles. Clarify how to refer to it within debt capital markets.

<b>Lead Co-Chair Coordinators</b>	<b>Sub-Working Group</b>
JPM & Natixis	Updates to the CTF Handbook & Q&A
JPM & Natixis	Propose formal updates to the GBP & SLBP to enhance the interlinkages / guidance to the CTF Handbook
Fannie Mae & HSBC	Coordination with other relevant transition initiatives
Fannie Mae & HSBC	Just Transition

The CTF Working Group will coordinate proactively with existing other working groups under the Executive Committee of the Principles.

**Tools:**

- The CTF WG will also keep up to date the registry of the various tools and methodologies available to demonstrate science-based decarbonisation trajectories which is hosted on the ICMA website

**Working Group coordinators**

- Fannie Mae
- HSBC
- JP Morgan Chase
- Natixis

**Working Group members**

ABN AMRO Bank	DNB	Morgan Stanley Investment Management Ltd.
Affirmative Investment Management	DNV Business Assurance Services UK Ltd	MUFG
Allen & Overy LLP	DZ Bank	National Australia Bank
Aluminium Stewardship Initiative Ltd	Emerging Markets Investors Alliance	National Bank Financial
American Bureau of Shipping	Enel S.p.A.	Natwest
Amundi	EUROFIMA	Nomura International
Analistas Financieros Internacionales	Euronext Dublin	Nordea
Ashurst Hong Kong office	European Bank of Reconstruction and Development (EBRD)	Nordic Investment Bank (NIB)
Asia Pacific Loan Market Association	European Investment Bank (EIB)	Ostrum
Australia and New Zealand Banking Group Limited (ANZ)	Financial Services Agency of Japan	PIMCO
AXA IM	FMO	PineBridge Investments
Banco BTG Pactual	Freddie Mac	Pinsent Masons LLP

Bank of America	Freshfields Bruckhaus Deringer LLP	Rabobank
Bank of Montreal (BMO)	FSC Global Development GMBH	Raiffeisen Bank International AG (RBI)
Barclays	Goldman Sachs	Rating and Investment Information
BlackRock	Goldman Sachs AM	RBC
Bloomberg	Green Investment Group	Repsol
BNP Paribas	Herbert Smith Freehills LLP	S&P Global Ratings
BNP Paribas AM	Hong Kong Exchanges and Clearing	Santander CIB
BOCI Asia Ltd	Hong Kong Investment Funds Association	Scotiabank
BPCE SA	Hong Kong Quality Assurance Agency	Simmons & Simmons
Brown Advisory LLC	HSBC AM	Skandinaviska Enskilda Banken AB (SEB)
Caixa Bank	Insight Investment	SMBC Nikko Capital Markets
CDP Worldwide Limited	Institute for Global Environmental Strategies	Société Générale CIB
CECEP Environmental Consulting	International Finance Corporation (IFC)	South Pole
Center for Public Policy Development - ESPOL Polytechnic University	Intesa Sanpaolo	Standard Chartered Bank
Center for Sustainable Finance – Vlerick Business School	ISS Corporate Solutions – Powered by ISS ESG	SustainableFitch
Central Bank of Hungary	Itau Unibanco S.A.	Sustainalytics
China Chengxin Green Finance Technology	Japan Credit Rating Agency	T. Rowe Price International Ltd
China Lianhe Credit Rating Co. Ltd.	JP Morgan Asset Management	TD Securities
CIBC Capital Markets	King & Wood Mallesons LLP	The Carbon Trust
CICERO	KPMG LLP	The Standard Bank of South Africa Limited
Citi Bank	LaFarge Holcim	Threadneedle Asset Management
Clifford Chance LLP	Latham & Watkins	Total Energies
Climate Bonds Initiative	LCH	Transition Pathway Initiative
Commonwealth Bank of Australia	Linklaters LLP	UBS
Crédit Suisse	Lloyds Bank Corporate Markets plc	Union Investment
Daiwa	London Stock Exchange	Wells Fargo
DBS Bank Ltd	Luxembourg Stock Exchange	Westpac
Dentons	Mainstreet Investment Partners	World Bank
Deutsche Bank	Mizuho International plc	WWF
Development Bank of Southern Africa Limited	Moody's/Vigeo-Eiris	Zurich Insurance
DLA Piper	Morgan Stanley	